

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the Matter of:
Proposed Rulemaking Pertaining to
Data Collection for Qualified Departing
Load CRS Exemptions

Docket 03-CRS-01

**COMMENTS OF THE STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES**

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Pursuant to the Notice Of Renewables Committee Hearing To Consider Cost Responsibility Surcharge Regulations dated September 10, 2003 the California Department of General Services (“DGS”) respectfully submits these comments on the September 17, 2003 draft Final Express Terms regarding Qualified Departing Load Cost Responsibility Surcharge (“CRS”) Exemptions.

Section 1395.1(c), definition of “Bond Charge”. This appears to be a definition of the Department of Water Resources (“DWR”) “bonds” and not the “Bond Charge” adopted as part of the DWR and California Public Utilities Commission’s (“CPUC”) “Rate Agreement.” Moreover, Bond Charges are established per DWR’s periodic revenue requirement process and then incorporated into retail rates by the CPUC. Hence, the correct definition of “Bond Charge” would refer to the CPUC-DWR Rate Agreement, as periodically modified by the DWR or CPUC proceedings.

Section 1395.1(g), definition of “Customer Responsibility Surcharge”. This definition may be too “static” insofar as the CRS is subject to potential revision at the CPUC. DGS suggests that flexibility should be built into the regulations by referring to subsequent utility implementation, for example. The applicable CRS would ultimately be contained within the

utility tariffs.

Section 1395.1(k), definition of “Customer”. The definition appears to imply that “load” serves electricity to demand (“receives power *from* departing load”). DGS suggests that the language read that the customer receives power *for* departing load from other than the Electric Utility. Also, now that “Departing Load” is defined, it should be capitalized in this section.

Section 1395.1(l), definition of “Customer Generation”. DGS recommends that there be some recognition that this definition is based upon the long-established approach codified at Public Utilities Code Section 218 whereby customer-based generation is excluded from the definition of “electrical corporation”—one type of entity that may be considered a “public utility” and therefore subject to CPUC regulation.

Section 1395.1(m), definition of “Departing Load”. DGS recommends that this language reference CPUC decision (“D.”) 03-04-030¹ with a notation that the definition may be subject to other interpreting decisions and that it could be changed in subsequent decisions. While the last line of the definition may be intended to lead to that result, it is oblique at best. DGS also recommends that this language be checked against definitions found elsewhere in this document. This definition should refer to “Electric Utilities” as defined elsewhere in the draft Final Express Terms. “Direct Access” should not be capitalized as it is not defined; “Backup Generation” is defined in the draft Final Express Terms and should replace the term found in the new added language.

¹ [D.03-04-030](#) adopts cost responsibility surcharge mechanisms for customer generation departing load. Final Express Terms section 1395.1(m) and its subdivisions (1) through (3) are taken almost verbatim from D.03-04-030 (see pages 2-3 of that decision). D.03-04-030 was clarified by [D.03-05-039](#) regarding the proposal in the former decision for a reduced bond charge.

DGS notes that the definition would not apply to “municipalized” departing load. This may need additional review since the CPUC has considered the application of CRS to municipalized loads in its decisions [D.03-07-028](#) and [D.03-08-076](#).

Section 1395.2(b): The word “customers” should be capitalized. Also, with respect to 1395.2(a), a collection of expected operating hours should be undertaken so that a load factor can be imputed for Departing Load.

Section 1395.3(d): The phrase “estimated annual load departing” is insufficiently precise given that there is a defined term, “Departing Load”. DGS suggests that the phrase be redrafted to read “estimated annual Departing Load”.

Section 1395.4: This section addresses the queuing process and appears to have adequately resolved the concerns DGS expressed previously by allowing the submission of a “Development Plan” to protect the queue position.

Section 1395.5: Since this section includes certain timelines within which the Customer must act or risk losing the opportunity for extension or reconsideration, it would be valuable to Customers to have notice of this requirement in the Form.

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Respectfully submitted,

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